

Message Text

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ACTION ARA-10

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R 152300Z APR 76

FM AMEMBASSY PANAMA

TO SECSTATE WASHDC 7429

C O N F I D E N T I A L SECTION 1 OF 2 PANAMA 2671

E.O. 11652: GDS

TAGS: PFOR, PINT, PN

SUBJECT: TREATY NEGOTIATIONS: CAMPAIGN ECHOES AND LOCAL FALLOUT

SUMMARY: PANAMANIAN PUBLIC TREATMENT OF THE CANAL ISSUE MARKED OVER THE LAST SEVERAL MONTHS BY A QUIET, LOW-KEY HANDLING OF THE SUBJECT, EDGED ITS WAY BACK INTO LOCAL HEADLINES LAST WEEK. CAMPAIGN STATEMENTS BY UNITED STATES POLITICIANS, AS WELL AS THE GOP'S PERIODIC NEED TO REASSURE ITS POPULACE OF CONTINUING, IF DELIBERATE, MOVEMENT IN THE NEGOTIATIONS LAY BEHIND THE INCREASED PUBLICITY. MOREOVER, THE NEW FOREIGN MINISTER'S NAMING PLUS THE OPENING OF SCHOOLS THROUGHOUT THE COUNTRY, MADE A REITERATION OF PANAMA'S POSITIONS, ASPIRATION AND DEMANDS TIMELY AND POLITIC. TORRIJOS' ACERB COMMENTS ON FORMER GOVERNOR REAGAN'S STATEMENTS OPPOSING A NEW CANAL TREATY, PLUS SEVERAL EDITORIAL COMMENTS PRAISING PRESIDENT FORD'S, SECRETARY KISSINGER'S, ASSISTANT SECRETARY ROGERS', AND PARTICULARLY AMBASSADOR BUNKER'S STATEMENTS IN SUPPORT OF THE NEGOTIATIONS INDICATE HOW CLOSELY THE U.S. POLITICAL STAGE IS EYED HERE, AND HOW CLEARLY GRAPED IS THE CONNECTION BETWEEN OUR DOMESTIC POLITICAL CAMPAIGN AND TREATY NEGOTIATING SPEED AND PROGRESS. THIS FLURRY OF INTERVIEWS AND COMMENTARY LOOMS LARGER THAN IT MIGHT, HOWEVER, CAST AGAINST A BACKGROUND OF LOCAL PRESS AND MEDIA RESTRAINT--

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THE LATTER A PRODUCT OF GOP POLICY ON COVERAGE OF THE

NEGOTIATIONS AND UNITED STATES-PANAMA RELATIONS IN GENERAL. THE OVERALL TENOR OF RECENT STATEMENTS AND THE COMMENTARY THEY HAVE GENERATED MAKE IT APPARENT THAT THE GOP CONTINUES TO HAVE CONFIDENCE IN USG GOOD FAITH IN AND SUPPORT OF THE NEGOTIATIONS--BUT REMINDS US AS WELL THAT SUPPORT FOR A MORE MODERN TREATY MUST BE TEMPERED BY POLITICAL CONSIDERATIONS AND CIRCUMSTANCES IN PANAMA AS WELL AS THE UNITED STATES. END SUMMARY.

1. THE GENERALLY LOW-KEY TREATMENT OF CANAL TREATY NEGOTIATIONS WHICH HAS PREVAILED FOR THE PAST FEW MONTHS HEIGHTENED LAST WEEK WHEN ARTICLES REPORTING U.S. CAMPAIGN DISCUSSION OF THE CANAL ISSUE PLUS HEARINGS ON THE NEGOTIATIONS AND ON CANAL ZONE PROBLEMS BEFORE THE CONGRESS, AND THE EVANS AND NOVAK COLUMN ON THE SECRETARY'S DISCUSSION WITH A GROUP OF U.S. SENATORS ALLEGED TO OPPOSE A NEW TREATY APPEARED IN THE LOCAL NEWS MEDIA. RESPONSIVE PART, TO U.S. CAMPAIGN STATEMENTS, GENERAL TORRIJOS GAVE A LENGTHY AND PUBLICIZED INTERVIEW TO AP CORRESPONDENT CHARLES GREEN ON PANAMA'S ASPIRATIONS, POLITICS AND POLICIES BOTH WITH REGARD TO THE NEGOTIATIONS AND TO OTHER GOP OBJECTIVES.

2. FORMER CALIFORNIA GOVERNOR REAGAN'S ADAMANT STAND ON WHO OWNS WHAT IN THE CANAL ZONE, AND HIS UNCOMPLIMENTARY DESCRIPTION OF THE TORRIJOS REGIME SPARKED OFF RESPONSES FROM THE NEW FOREIGN MINISTER, AQUILINO BOYD, AND FROM GENERAL TORRIJOS HIMSELF. TORRIJOS, IN A LENGTHY INTERVIEW WITH ASSOCIATED PRESS CORRESPONDENT CHARLES GREEN LAST TUESDAY, APRIL 5, REJECTED REAGAN'S CONTENTIONS AND DECLARED THAT HIS OPPOSITION TO THE TREATY ONLY AIDED THE EXTREME LEFT IN PANAMA. STATEMENTS SUCH AS REAGAN'S TORRIJOS ASSERTED, AID EXTREMISTS BECAUSE REAGAN AND HIS ERSTWHILE PANAMANIAN SUPPORTERS "BRING NO SOLUTION, JUST (LIKE) FIGHTING, VIET NAM, VIET CONG, GUERRILLAS AND POWER. THESE KIND LIVE OFF THE PROBLEM INSTEAD OF LOOKING FOR A SOLUTION."

3. TREATY PROGRESS BUT WASHINGTON PRESSURE. TORRIJOS
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AFFIRMED LATER IN THE INTERVIEW THAT TREATY NEGOTIATIONS HAVE MADE SUBSTANTIAL PROGRESS ALTHOUGH THEIR PACE HAS SLOWED A BIT BECAUSE THEY HAVE BECOME AN ISSUE IN THE U.S. PRESIDENTIAL CAMPAIGN. WHILE TORRIJOS SAID THAT HE "RECOGNIZED THE FIRST DUTY OF THE NORTH AMERICAN PRESIDENT IS TO GET HIMSELF REELECTED," HE ALSO CRITICIZED WASHINGTON "FOR DOING ALL IT CAN TO FORCE ME TO MARRY FIDEL CASTRO," IN APPARENT REFERENCE

TO THE RADICALIZING EFFECT THAT OPPOSITION TO A NEW
TREATY CAN HAVE IN PANAMA. NEVETHELESS, TORRIJOS
FOLLOWED UP THAT STATEMENT BY ADDING "BUT I'M
NOT GOING TO ENTER THE CHURCH," ACCORDING TO FABIAN
VELARDE, TORRIJOS' PRESS COORDINATOR, WHO WAS PRESENT
DURING THE INTERVIEW. VELARDE ALSO SAID TORRIJOS
USED THE WORDS "THE UNITED STATES" NOT "WASHINGTON" AND WAS REFER-
RING TO THE TREATY OPPONENTS, NOT THE US EXECUTIVE.

4. STUDENT PACT: PATIENCE HAS A LIMIT. IN
A FURTHER REFERENCE TO THE LINK BETWEEN PANAMANIAN
DOMESTIC POLITICAL RESTIVENESS AND TREATY OPPOSITION IN
THE U.S. TORRIJOS NOTED THAT HE HIS HELPING THE NEGOTIATING
PROCESS THROUGH "AN UNWRITTEN PACT AMONG STUDENTS
AND WORKERS TO MAINTAIN A PRUDENT ATTITUDE UNTIL THE
NEGOTIATIONS CONCLUDE." NEVERELESS, PRUDENCE
AND PATIENCE HAVE THEIR LIMITS, AND IF THE PATH OF
NEGOTIATION, THE "ROUTE OF GANDHI" LEADS TO A DEAD
END, THAT OF "HO CHI MINH" WILL BE ADOPTED, SINCE PANAMA
"WILL LIBERATE HERSELF AT ALL COSTS." TORRIJOS FIXED
1977 AS THE LIMIT OF PANAMA'S PATIENCE.

5. I'M NOT ANTI-AMERICAN. TO COUNTER
ACCUSATIONS LODGED AGAINST HIM, TORRIJOS DENIED BEING
ANTI-AMERICAN. "I HAVE", HE SAID, "GREAT ADMIRATION
FOR THE U.S. PEOPLE. GREAT ADMIRATION FOR ITS TECHNOLOGY
AND FOR THE GREAT SENSE OF SHAME IT HAS. WHAT ANGERS
ME IS THE ENCLAVE, (I.E., CANAL ZONE) AND THOSE WHO
PERMIT IT TO CONTINUE."

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6. EFFICIENT CANAL-U.S. WORKERS NEEDED. TORRIJOS RECOGNIZED THE PANAMA CANAL'S OPERATION AS "ONE OF THE MOST EFFICIENT IN THE WORLD," REPEATED HIS APPEAL TO AMERICAN WORKERS TO CONTINUE EMPLOYMENT AFTER A TREATY, BUT TAILED OFF BY REMARKING THAT THEY DIDN'T BELIEVE HIS ASSURANCES.

7. GOP POLICY AND PROSPECTS. IN AN UNACCOMSTOMED VEIN, TORRIJOS TOLD GREEN THAT WHEN HE CAME TO POWER: "AT FIRST I THOUGH MUCH OF VIOLENT CHANGE. BUT SINCE GOVERNING IS EDUCATING AND TRANSFORMING ONESELF, I NOW REALIZE THAT CHANGES OF THAT TYPE (I.E., VIOLENT) ARE COMPLETELY UNNECESSARY. WE HAVE THE CONDITIONS AND ECONOMIC COMPONENT NOT TO HAVE TO PAY A HIGH SOCIAL COST FOR (SOCIAL) GAINS." AS TO HIS POPULAR SUPPORT, THE GENERAL ADDED THAT WHILE HE KNEW NOT EVERYONE IN PANAMA LIKED HIM, HE JUDGED THAT "NO GROUP IS SO DISGUSTED WITH HIS GOVERNMENT THAT IT WISHES TO CHANGE REGIMES EXCEPT THE EXTREMES OF RIGHT AND LEFT, WHO," HE ADDED, "ARE OFFSPRING OF A COMMON PARENT."

8. PRESS COMMENTS ON INTERVIEW. APRIL 7 MATUTINO ENDORSED TORRIJOS' FIXING OF 1977 AS THE LIMIT TO PANAMANIAN PATIENCE, CALLING IT A REMINDER AND ADMONITION OF PANAMA'S INTENT TO "PERFECT" HER INDEPENDENCE, AND DO
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SO SOON.

9. CONGRESSIONAL HEARINGS: AMBASSADOR BUNKER PRAISED. LOCAL PRESS ON APRIL 9 HEADLINED AMBASSADOR BUNKER'S TESTIMONY BEFORE THE HOUSE PANAMA CANAL SUBCOMMITTEE WITH THE STAR AND HERALD BANNERING "MUCH STILL TO BE DONE ON TREATY, BUNKER SAYS." OTHER NEWSPAPERS PREFERRED TO COMMENT ON THE HILL TESTIMONY, IN EDITORIALS WHICH CONSISTENTLY LAUDED AMBASSADOR BUNKER'S EFFORTS AND EXCORIATED TREATY OPPONENTS. THE APRIL 10 MATUTINO CLASSIFIED BOTH AMBASSADOR BUNKER AND ASSISTANT SECRETARY ROGERS AS "THE VOICES OF KNOWLEDGE AND REASON". THE EDITORIAL NOTED: "THEIR VOICES ARE BACKED BY THEIR EXPERIENCE, THEIR PRESTIGE AND BY THE LOFTIEST AMERICAN PATRIOTISM ACHIEVED BY THOSE WHO NOURISH THEMSELVES ON THE FACTS, HEED THE WISE LESSONS OF THEIR OWN HISTORY AND PUBLICLY PROCLAIM THAT 'LAW IS RESPECT FOR THE RIGHTS OF OTHERS'". CRITICA ON APRIL 12 SAID "WE ARE SURE ELLSWORTH BUNKER DEFENDED

HIS WORK (BEFORE THE HOUSE HEARINGS) WHOSE RESULT IS REFLECTED IN THE PROGRESSING NEGOTIATIONS, ALTHOUGH THERE STILL REMAIN CERTAIN AREAS IN WHICH THE NECESSARY ARRANGEMENTS HAVE NOT YET BEEN REACHED." THE EDITORIAL ALSO RECALLED THAT SECRETARY KISSINGER, ASSISTANT SECRETARY ROGERS, AS WELL AS AMBASSADOR BUNKER HAVE MENTIONED THE POSSIBILITY OF "SERIOUS COFRONTATIONS WITH PANAMA AND WITH LATIN AMERICA, WHICH THE EXTREME LEFT IS EAGER TO PRECIPITATE RIGHT NOW (SHOULD THE NEGOTIATIONS BREAK DOWN)" AND CALLED FOR A NEW TREATY IN 1977.

10. EVANS AND NOVAK. THE THIRD MAJOR ITEM IN CANAL REPORTAGE WAS A ROWLAND EVANS AND MICHAEL NOVAK COLUMN REPRINTED HERE ON APRIL 12. ACCORDING TO THE TWO COLUMNISTS, SECRETARY KISSINGER, ON MARCH 25 WARNED A GROUP OF U.S. SENATORS, IN THE MAIN, TREATY OPPONENTS, THAT EITHER THE U.S. NEGOTIATES A NEW TREATY, OR IT WILL HAVE TO RESORT TO SENDING THE 82ND AIRBORNE DIVISION DOWN TO PROTECT THE CANAL.

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11. FINALLY ON APRIL 15 THE SEMI-DEPENDENT "STAR AND HERALD" AND "LA ESTRELLA", IN AN AP ARTICLE BY FRANK CORMIER REPORTED ON WHITE HOUSE SPOKESMAN, RON NESSEN'S, PRESS BRIEFING OF APRIL 14. UNDER THE HEADLINE "FORD UNDER FIRE OVER TREATY," ARTICLE STATED THAT: "NESSEN ACKNOWLEDGED WEDNESDAY THAT FORD COULD HAVE BEEN MORE PRECISE WHEN HE SAID LAST WEEK THAT "THE UNITED STATES WILL NEVER GIVE UP ITS DEFENSE RIGHTS TO THE PANAMA CANAL AND WILL NEVER GIVE UP ITS OPERATIONAL RIGHTS". ARTICLE ALSO DESCRIBED HOW "TOUCHY" THE PANAMA ISSUE IS FOR THE PRESIDENT. PRO-GOVERNMENT PRESS HAS SUPPRESSED THE AP ARTICLE, OR ANY OTHER SIMILAR REPORT, AT EMBASSY REQUEST AND IS PUTTING OUT A BULLETIN ON THIS ITEM AFTER CONSULTATIONS WITH US.

12. COMMENT: IN THE EMBASSY'S ASSESSMENT OF WHAT THE ABOVE CANAL COVERAGE AND COMMENTARY MEANS, TWO POINTS STAND OUT. FIRST TORRIJOS AND OTHER GOP SPOKESMAN HAVE EXERCISED PRUDENCE AND DEMONSTRATED PATIENCE IN THEIR RESPONSE TO SEVERAL U.S. CAMPAIGN STATEMENTS THAT MIGHT HAVE BEEN PLAYED MUCH MORE FORECEFULLY AND MUCH LESS FAVORABLY HERE. CASE IN POINT ARE THE PRESIDENT'S REMARKDS IN DALLAS WHICH HAVE NOT BEEN COMMENTED ON OFFICIALLY, NOR HAVE THEY RECEIVED DIRECT COVERAGE IN THE NEWS MEDIA. THE GOP, BY SO DOING, HAS

RESPONDED POSTIVELY TO OUR DOMESTIC POLITICAL SENSITIVITIES.
BY THE SAME TOKEN, THIS RESTRAINT ONLY HIGHLIGHTS HOW
CLOSELY INTERWOVEN THE TWO COUNTRIES POLITICAL
SENSITIVITIES ON THE CANAL ISSUE ARE. TORRIJOS
CANNOT IGNORE THE VOCAL OPPOSITION IN THE U.S. TO
PANAMA'S DEMANDS FOR A NEW TREATY RELATIONSHIP; HIS
DOMESTIC SUPPORTERS-AND CRITICS-WOULD NOT PERMIT
THAT EVEN SHOULD HE WISH TO. BUT HE CANNOT
CATAGORICALLY DENOUNCE ALL CRITICISM, AND PARTICULARLY NOT
POLITICALLY ATTUNED ADMINISTRATION EXPLANATIONS OF
ITS SUPPORT FOR THE NEGOTIATIONS,
WITHOUT WORSENING HIS CHANCES FOR TREATY PROGRESS
AND SUCCESS, HE IS SIGNALLING, HOWEVER, THAT SENSITIVITY
TO DOMESTIC POLITICAL NEEDS IS A TWO-WAY STREET,
AND THAT HE TOO HAS CONSTITUENCIES WHICH HEM THE
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RADIUS OF HIS RESPOONSES, AND WHICH, SHOULD HE NO LONGER
BE ABLE TO BUY THEM OFF OR CALM THEM DOWN, CAN MAKE THE
POLITICAL SCENE HERE SUBSTANTIALLY MORE DIFFICULT
AND EVEN NASTY FOR US. HIS SPECIFIC MENTION OF PANAMA'S
STUDENTS AND THE OPENING OF THE NEW SCHOOL YEAR IS
WHAT HE HAS IN MIND. NEVERTHELESS, HE HAS NOT LASHED
OUT AT WHAT COULD BE CONSIDERED PROVOCATORY STATEMENTS,
BUT HAS KEPT HIS RESPONSE TO THEM UNDER REIN, AND
SEEN THAT PUBLIC COMMENTARY HERE HEWS TO A RESTRAINED
LINE.
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